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ORGANIZATION OF THE RUMANIAN PETROLEUM INDUSTRY

I. ORGANIZATION BEFORE 1948

After their entry into Rumania, the Soviets took immediate possession of all petroleum interests previously purchased by the Germans. These included Petrofina Belge (Belgian Oil Company) purchased from the Belgians and Omnium des Petroles (Petroleum Trading Company) acquired from the French. The following are the enterprises bought by the Germans during World War II:

Name of Company	Former Owners
Concordia	Petrofina Belge
Starnaphta	Concordia
Colombia	Omnium des Petroles
Foraky Romanesc	Petrofina Belge
Credit Minier	Romana-Cekoslovaque
Prahova	Societe Italienne
Copacenl	Concordia
Petrolul Romanesc	Bought by Foraky Romanesc

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Name of Company	Former Owners
Petrolifera Romana	Mica
Redeventa	Mica
Forage Lemoine	Petrofina Belge
IRDP /possibly Industria Romana de Petrol, Rumanian Petroleum Enterprise/	Rumanian enterprise but bought by the Germans

In addition to the oil companies mentioned above, the Soviets took possession of the following refineries:

Name of Refinery	Former Owners
Vega	Concordia in Ploesti
Brazi	Credit Minier in Brazi
Standard	Petrol Block in Ploesti
Redeventa	Redeventa (Rumanian Company) in Ploesti
Doicesti-Targoviste	Appolon Refinery
Venus (located in Ramnicul-Sarat)	--
Petrol	Prahova in Bucharest

Inasmuch as these refineries were German holdings, the Soviets claimed them as war booty and proceeded to incorporate them into Sovrompetrol (Soviet-Rumanian Petroleum Enterprises). The remaining petroleum companies were owned by the following foreign interests:

Name of Company	Former Owners
Romano-Americano	Standard Oil
Sospiro	Bought by Standard Oil
Astra-Romana	Royal Dutch
Steaua Romana	French Petroleum
Unirea	Phoenix
Dacia-Romana	English Petroleum
Romano-Belge des Petroles	--

These companies, several smaller companies, and all the refineries belonging to both the major and minor companies were exploited by their foreign owners until the Allied military missions left Rumania. The newly formed government of the Rumanian People's Republic then nationalized all the petroleum companies and set up the SRP (Societatea Romana de Petrol, Rumenian Petroleum Company) which included the two major petroleum regions, one in Muntenia and the other in Moldavia. The SRP was directly accountable to the Ministry of Mines and Petroleum and controlled the following refineries:

Name of Refinery	Location
Romano-Americana	Telesajan
Astra-Romana	Ploesti
Unirea and Orion	Ploesti
Steaua Romana	Campina
Photogen	Brasov (Vacuum Oil Company)
Dacia Romana	Ploesti

The SRP at the time of its creation acquired the entire stock of production and drilling equipment belonging to the nationalized foreign companies. The SRP utilized the stock reserves, distributing them indiscriminately to all the oil fields. For example, equipment belonging to a former American company was turned over to a former French company. After 2 years, the SRP exhausted all its equipment reserves and started procuring additional equipment through Sovrompetrol, which was importing it from Western nations via the USSR.

Sovrompetrol subsequently assumed complete control of the SRP, citing the incompetence of the SRP directors and the desire "to simplify things" as excuses for this step. The new company was known as Trustul Petrolului (the date of its organization is unknown). From then on, Sovrompetrol became dependent directly on the Soviets and controlled all of Rumania's petroleum industry.

II. ORGANIZATION AFTER 1948

A. Sovrompetrol

1. The Influence of Sovrompetrol

After the Allied military mission departed, the organization of the Rumanian petroleum industry was nominally headed by the Ministries of Mines and Petroleum; however, actual control rested with Sovrompetrol. Exploration was in the hands of the Geological Committee.

Sovrompetrol exercises control over the State Planning Commission in the following manner: Sovrompetrol informs the Soviets of any action required and the Soviets in turn order the Presidium of the Council of Ministers to perform it. The Council of Ministers then relay the order to the State Planning Commission. In effect all operations involving Sovrompetrol and the various ministries and organizations in Rumania are controlled in the same way. Sovrompetrol reports to the Soviets, who forward the orders to the Presidium of the Council of Ministers. The latter body then issues the orders to the ministry concerned. Therefore, the Ministries of Mines and Petroleum receive all their orders from the Council of Ministers, which received its orders from the Soviets. In effect, therefore, the Soviets are controlling the petroleum industry in Rumania.

Sovrompetrol controls the Petrolexport organization in the same manner it controls the State Planning Commission -- namely through the Soviets and the Presidium of the Council of Ministers. Almost all of

Rumania's petroleum products are sent to the USSR, either through pipeline from Reheni or through the port of Constanta. A small quantity of petroleum is sold by Rumania outside the Iron Curtain and, from time to time, the Soviets themselves also sell shiploads of Rumania's crude oil on the Mediterranean market. The director of Petrolexport is Weinberg (fnu), a former chemist with Dacia Romana. Sapira (fnu) is also on the management staff of Petrolexport.

Relations between Sovrompetrol and the Minister of Foreign Trade are the same as those between Sovrompetrol and Petrolexport. Relations with the State Geological Committee, however, are somewhat different. Since this body is directly under the control of the Council of Ministers, Sovrompetrol must appeal to the Council of Ministers and not to the Soviets whenever it needs the assistance of the Geological Insititute.

Sovrompetrol is in effect, a Soviet enterprise functioning in Rumania. It is treated by the Soviets as being on the same footing with all other Soviet enterprises, whether in the USSR or in other countries.

2. Soviet Employees

The main headquarters of Sovrompetrol, which are located in Bucharest, are under the control of a Soviet director general. Several Soviet assistant directors are assisted by Rumanian specialists, the latter group consisting of men appointed either because of their technical knowledge or because of their politics. All orders pertaining to oil exploitation come from the USSR, and the Rumanian engineers are employed only to insure execution of these orders.

Rumania's oil fields are grouped according to regions and form regiune groups. Each regiune group is headed by a Soviet director and several Soviet assistant directors, and is staffed by Rumanian engineers. The orders issued to these directors come directly from the USSR. Most of the Soviets employed at Sovrompetrol do not know the Rumanian language and therefore engage in very limited contact with the natives. All technical orders are given through interpreters. The Soviets employed at Sovrompetrol do not delve into politics and are concerned only with their work. They often ask the members of the party in Rumania to leave them alone.

A group of Bessarabian engineers act as interpreters for the Soviets. Many of them served with the former British, American, and Dutch oil companies and now enjoy a very privileged position as Soviet interpreters.

3. Financial Arrangements

At the beginning of its activities, Sovrompetrol paid the Rumanian government a tax equal to the amount formerly paid by the oil companies to their foreign owners. After departure of the Allied military mission, the tax paid by Sovrompetrol was lowered, but its exact amount cannot now be estimated. It is known, however, that Sovrompetrol is importing goods from the USSR for resale to the Rumanian government, and that the money accruing from these sales is deducted from the tax owed the government.

B. Ministries of Mines and Petroleum

Each ministry is under the leadership of a minister and a deputy minister, both of whom are well-known Rumanian Communists.

1. Ministry of Mines

The Ministry of Mines is composed of the Directorate of Coal and the Directorate of Minerals, each under the leadership of a director and an assistant director. Each directorate has several departments which deal with such matters as supplies and organization, and each department is under the leadership of a Rumanian engineer who carries out the orders of the minister.

The entire ministry is under the surveillance of a personnel service. This body operates under the direction of a personnel chief, who works in conjunction with the central party organs and the State Security. He reports all that transpires within the ministry. The whole personnel machinery is a veritable espionage system, all the more so since the personnel chief has the right to supervise all departments.

Each new employee entering the ministry is hand-picked by the personnel chief. If his political background is in the slightest degree questionable, he is immediately dismissed. The employees already on the job are under close surveillance, and each must appear regularly before the personnel chief for a session of self-criticism.

The personnel chief is always a Rumanian, either a technician or an intelligent laborer, completely devoted to the party. He is assisted by Rumanian Communists. (The personnel chief is always present at meetings with members of other ministries, for a similar personnel service operates in each of the other ministries.) Moreover, all of the more important non-Communist employees are assisted by Communists who are training to replace them.

2. Ministry of Petroleum

The Ministry of Petroleum is organized similarly to the Ministry of Mines, i.e., with a Directorate of Petroleum and a Directorate of Methane Gas. The personnel of both ministries was expanded as the ministries requisitioned surrounding private buildings, and converted them into office buildings. The number of employees is believed to have been almost tripled in order to place in all echelons of each ministry those in favor with the party and those employed as spies. The personnel service is a network of political espionage spreading through all the enterprises, factories, and mines, irrespective of their size. By this method the Communist party controls all Rumania's industries.

The budget of the Ministries of Mines and Petroleum is estimated at 25,000,000 lei in 1951. The function and duty of these two ministries is to carry out the orders of the Soviets, who are engaged in a campaign of systematic exploitation of the country's resources.

3. The State Geological Committee

The State Geological Committee is the former Rumanian Geological Institute. It falls under the direct jurisdiction of the Presidium of the Council of Ministers, and its chief aim is to study and evaluate the underground deposits of the country. The committee is composed of the following sections:

1. Geology and topography.

2. Surface exploration (seismography, gravimetry, etc.).

3. Drift explorations.

4. Drilling exploration (average drilling 800 meters).

5. Deep-drilling exploration.

6. Workshops section.

This committee has always been the gathering place for all non-Communist mining and petroleum experts of Rumania. Surveillance is very rigid, but Corjan (fnu) the personnel chief of the State Geological Committee is said to be an easy-going man. The director of the Committee is Professor Macovei (fnu). In 1951 the State Geological Committee was composed of 58 sectors and employed 10,000 persons in the following capacities:

1. The geology and topography section has one director, 60 topographers and assistant topographers, and 30 laborers.

2. The surface-exploration section has 6 directors and inspectors, 50 engineers, 100 office workers, and 400 laborers.

3. The drift-exploration section has 3 directors, 60 engineers and assistant engineers, 50 office workers employed for field work, and 800 laborers.

4. The shallow-drilling section has 6 directors and inspectors, 100 engineers, 300 office workers employed for field work, and 6,500 laborers.

5. The deep-drilling section has 2 directors, 20 engineers, 100 office workers, and 400 laborers.

6. The workshops section has 2 directors, 15 engineers and draftsmen, 80 office workers, and 500 laborers.

7. The administration section has 2 directors (one a party member), 15 geological engineers, 30 office workers, and 50 laborers.

All the work of the State Geological Committee is submitted to the Presidium of the Council of Ministers for transmittal to Sovrompetrol. The latter body makes all decisions on exploitation and exploration. Sovrompetrol has its own department of exploration, but its activities are somewhat limited. The budget of the State Geological Committee is said to be unlimited, but the expenses for 1951 were approximately 13 million to 15 million lei.

III. PETROLEUM EQUIPMENT

A. Plants

The following oil-well equipment plants operate in Rumania under the control of Sovrompetrol and Sovrommetal:

1. The Central Concordia Works in Ploesti manufacture all types of drilling equipment, e.g., catheads, special drill bits, metal derricks, cleaning pumps, rotary tables, steam pumps, cranes, rotary swivels, steam boilers, oil reservoirs, and tool joints. The factory employs 2,500 workers and is equipped with workshops, two Bessemer furnaces, and various furnaces for mixing alloys of nickel steel, chromium cast steel, and bronze steel. During World War II the factory produced antiaircraft guns. The Soviets subsequently expanded the shops to produce steam boilers, storage tanks, and tank cars. All these were shipped to the USSR under the guise of war compensation.

2. The Central Romano-American Works, formerly owned by Standard Oil of New Jersey, is mainly a repair shop even though facilities are available for building catheads. The shop produces heaters and reservoirs, and repairs storage tanks, pipe, tubing, and any other type of equipment used in the petroleum industry. The number of employees is 1,000.

3. The Astra-Romana Central Works in Campinita is the same type of factory as the Central Romano-America Works. The number of employees is 700-800.

4. The Steaua-Romana Central Works in Campina perform all types of repairs and produce drilling equipment, reservoirs, and boilers.

5. The Unirea Central Works in Ploesti is the same type of factory as the Steaua-Romana Central Works, but smaller.

6. The Malaxa Works in Bucharest is a locomotive-manufacturing and repair plant. It also produces air-tight tubing and small-diameter pipe, being one of the few factories in Rumania capable of manufacturing air-tight tubing. This plant also produces a complete range of equipment for the petroleum industry and employs 2,600-3,000 men.

7. The Wolf Works in Bucharest specializes in the production of mobile heaters, reservoirs, and installations for the extraction of gas. It is the Rumanian representative of the Deutz Motor Company, employing approximately 500 men.

8. The Lemaitre Metalworks in Bucharest produces the same type of equipment as the Wolf shop.

9. The Vulcan Metalworks produces reservoirs and boilers, and repairs compressors, electric motors, rolling stock, and tubing.

10. The Darmenesti Metalworks was built by a US firm to manufacture bombs. The factory later was converted to the production of petroleum equipment.

11. The Tintea Central Works produces tools and equipment for the petroleum industry. It employs approximately 600 men.

12. The Schill Works in Brasov (now Stalin) deals in heavy industry and precision instruments.

13. The Voinea Works in Brasov produces the same type of machinery as the Schill Workshop.

14. The former IAR (Intreprinderile Aeronautice Romene, Rumanian Aeronautical Enterprises) Works produces electric and gasoline motors, compressors, and precision instruments. This is the former Rumanian Aeronautica Works.

15. A factory for the production of metalworking tools was located at Rasnov.

16. Several metal shops for the production of semifinished goods are near Brasov.

17. Several mining equipment factories are in Fagarasi, close to a large explosives factory.

18. The Sibiu metalworks produces semifinished goods. This plant was greatly expanded recently.

19. The metalworking plants in Cugir were also greatly enlarged.

20. Factories were set up in Timisoara for producing precision parts for gasoline engines and electric motors.

21. The factories of Arad, producing electrical equipment, motors, generators, railroad cars, and diesel engines, were all greatly expanded.

22. Medias has several foundries fueled by methane gas. The chemical plant in the same city manufactures thickening agents used in drilling mud.

23. The Resita, Calan, and Nadrag steel mills, the only ones in Rumania, employ approximately 40,000 workers and operate several iron mines. The iron mined there, however, is of poor quality and insufficient to meet the needs of the steel mills. These mills have eight large furnaces, and several Bessemer and Thomas electric furnaces. The raw materials used at the mills come from the USSR, either in the form of scrap iron or of semifinished steel.

Several coal mines are located near the steel mills, and the latter are fueled by methane gas piped through a high-pressure conduit. The Resita mill are producing all the equipment used by Rumania's railroads, including rails, and Diesel and steam engines. The mills also are producing the equipment needed in heavy industry.

Before World War II the Resita steel mills entered into a contract with the National Supply Company of the US for the manufacture of drilling equipment in Rumania. The National Supply Company even sent several specialists to the Rumanian steel mills to insure the sound production of this equipment. At present the Resita steel mills are believed to have facilities for producing all types of drilling and production equipment used in the petroleum industry. It is difficult to estimate the exact amount of equipment or machinery produced by Resita steel mills, but the amount produced certainly cannot meet the needs of Rumania's petroleum industry.

D. Equipment

1. Catheads -- The Resita mill produces catheads of the same type as the Union Tool and National Supply companies in the US. The catheads are equipped with five speeds and are similar to the latest equipment produced in the US.

The Concordia factory in Ploesti also manufactured catheads of three to five speeds in 1951. Later it started to produce drilling equipment type UMTM and catheads. The lifting capacity of the equipment, however, does not equal that made in the US. The drums are not so perfect because they were not riveted, and the bearings are inferior in quality and less resistant to wear. Even the steel is believed to have been of inferior quality.

The Malaxa factory also makes catheads.

2. Cleaning pumps -- The Resita factory manufactures horizontal pumps similar to the type manufactured by the Union Tool Company -- 8.25 x 14 x 16 inches with 200-kilogram pressure. It also manufactures mud pumps operated by steam, chain, or belt.

[illegible] Concordia factory also manufactures horizontal pumps, but their quality is not so high as those manufactured by Resita. These electrically operated pumps had an output of four carloads of oil per hour and are used by the Gura [illegible] oil fields. Resita and Concordia are believed to have been the only two factories manufacturing pumps for deep wells. The other shops produce only production pumps.

3. Crown blocks -- The Resita factory produces crown blocks for deep drilling of the National and Emsco types, i.e., mounted on roller bearings.

The Concordia and Malaxa factories manufacture the same types of crown blocks. Other companies such as the former Astra-Romana-Americana, Unirea, and Steaua factories also make these items, but the casting of the principal parts is often done elsewhere. These minor companies produce crown blocks for shallow drilling.

4. Traveling blocks -- The Resita factory manufactures traveling blocks similar to the National and Emsco types, for deep drilling and for anchoring [illegible]. The traveling blocks are operated on roller bearings.

The Concordia factory also manufactures traveling blocks, but [illegible]. All of their products are less durable than their [illegible]. The Malaxa and [illegible] are [illegible] traveling blocks.

[illegible] is [illegible] at present [illegible] equipment [illegible] Soviet Union or from [illegible]. [illegible] quite often.

5. Rotary swivels -- The Concordia, Malaxa, Schill, and [illegible] manufacture rotary swivels. Resita produces the best-quality swivels, but their over-all construction is too heavy. They are difficult to [illegible]; some used in deep drilling weigh as much as 3 tons.

6. [illegible] -- The Resita factory manufactures drill [illegible] quality [illegible]. The number of pipes produced, [illegible] approximate [illegible], [illegible] known.

[illegible] drill pipe of a lower [illegible] diameter of the pipes is [illegible].

7. Kelly joints -- The Resita, Concordia, and Malaxa factories [illegible] kelly [illegible] length, i.e., up to [illegible] meters [illegible].

8. Tool joints -- The Resita, Concordia, Malaxa, Schill, and [illegible] factories produce tool joints.

9. Drill collars -- [illegible] factories that manufacture tool [illegible] drill collars. Resita makes 5-meter collars and other factories [illegible]. [illegible] and the other factories forge the drill collars but [illegible] the steel. All drill collars are made of chrome-nickel steel.

10. [illegible] -- The Resita, Concordia, and Malaxa factories [illegible] for deep drilling as well as [illegible] for production.

11. [illegible] pumps -- The Resita, Malaxa, Concordia, [illegible] Romana-Americana factories manufacture [illegible] pumps of [illegible] and National types. [illegible] are [illegible].

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12. Sucker rods -- Sucker rods are constructed by the Resita, Malaxa, Concordia, and possibly other factories, but are of poor quality.

13. Pumping installations -- The Resita, Concordia, Schill, and Voinea factories produce pumping units similar to the Lufkin and Emsco types, as well as pump arms and reducing gears. Only the Resita and Concordia factories manufacture pumping installations for deep wells.

14. Fishtail drill bit -- The Resita, Concordia, Schill, Romana-Americana, Astra-Romana, and Unirea factories make nickel-chrome drill bits of all dimensions. They are similar to the Gombo-Buster type.

15. Rock bits -- The Resita and Concordia factories produce the Reed-Roller and Hughes-type roller bits. These two manufacturers encounter difficulties in hardening the cones, but their rock bits are still usable.

16. Core barrels -- All the factories listed above manufacture core barrels of the Elliot-Spengler, Phillips, and Smith types. The core barrels for rocky formations are produced only by the Resita and Concordia factories.

17. Valves -- Only the Resita and Concordia factories produce large-dimensioned steel valves. The other factories produce valves of smaller dimensions.

18. Blow-out preventers -- The Resita and Concordia factories produce steam-driven blow-out preventers. Other types of blow-out preventers, such as the Scheffer type, are manufactured throughout the industry.

19. Retrieving equipment -- This equipment is manufactured by all factories.

20. Steam boilers -- The Resita factory produces fire-tube boilers with a heating capacity of 80 to 100 square meters and a pressure of 16 kilograms. Resita also manufactures higher pressure boilers of the Babcock-Wilcox and Cromwell type.

The Concordia factory manufactures both mobile and stationary boilers with 30 kilograms pressure. The Lemaitre, Vulcan, and Voinea factories also makes mobile and stationary boilers.

21. Tanks -- All factories manufacture tanks.

22. Hard materials -- Materials such as black ore, stellite, and borium come from the Soviet Union, which probably had purchased them previously from other sources.

IV. MISCELLANEOUS

ASIT

Very little information is available on the ASIT (Asociatia Stiintifica a Inginerilor si Tehnicienilor, Scientific Association of Engineers and Technicians). All major jobs in the ASIT are filled by party members, and the statutes of the ASIT were changed so that the only two requirements for admission to the group were membership in the party and a vague technical knowledge. The number of employees and the size of the budget were both increased substantially.

State Statistical Committee

Not all the statistics published by the State Statistical Committee are accurate. All achievements are inflated, and all failures are completely camouflaged. Particular exaggerations are noted in figures for mining, drilling, and oil production. If a well ever becomes plugged owing to carelessness of the workers, it is never revealed. Likewise, accidents are never reported.

Numbering System

The numbering of oil wells has no relation to the number of wells drilled at a particular field. After geological studies and drilling exploration have been completed, each region is divided into small sectors for administrative purposes. Each sector is given a separate number according to the region in which it is located. If the field is under drilling, the well carries the number of the sector and the name of the region in which it is located. For example, well No 453 Ploesti does not mean that it is the 453d well being drilled in Ploesti Regiune. Rather it means that the well is part of the 400 sector in Ploesti Regiune.

Petroleum Periodical

Under the Soviets, the periodical Petrol si Gaze serve as a propaganda tool to show that Soviet science is superior to all others. The editorial staff of the periodical are often changed, and all articles are carefully scrutinized. For security reasons, all articles are censored by a party committee attached to the Ministry of Mines and Petroleum.

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